

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General



February 15, 2002

Milou Carolan
Director
Office of Personnel
441 Fourth Street, N.W, Suite 300S
Washington, D. C. 20001

Subject: Final Audit Report OIG No. 02-2-6BE - Automated Health Benefits Enrollment Program

Dear Ms. Carolan:

The Office of the Inspector General (OIG) has completed a limited review of the automated health benefits open enrollment process. This year's health benefits open enrollment is being held from January 21, 2002, to February 20, 2002. During this period, the District of Columbia's Office of Personnel (DCOP) informed qualified employees that changes to mailing address information and/or changes in health care providers could be made through the District's intranet by accessing the District of Columbia Employee Health Benefit (DCEHB) Open Enrollment Registration Form.

We conducted this review because we were concerned about the absence of an on-line transaction authorization that would prevent or detect unauthorized changes to an employee's personnel and health care provider data. We were also concerned about the possibility that future initiatives of this type would not take into consideration the necessity to ensure that all transactions are authorized prior to making changes to the employee personnel/payroll database.

Control Objectives for Information and related Technology (COBIT) provides that controls must be implemented to: (1) provide authenticity of transactions; (2) establish the validity of a user's claimed identity; and (3) safeguard information against unauthorized use, disclosure or modification.


In limited tests of access controls, we found that all that was needed to access the DCEHB Open Enrollment Registration Form is an employee's social security number and birth date. After access is granted, changes can be made to change an employee's health benefits provider and/or the employee's mailing address. These changes are accepted without transaction authentication. Unauthorized access could result in the malicious submission of multiple fraudulent changes for a number of employees that, once discovered, could result in lost productivity for the time spent

identifying and correcting changed transactions. There is a warning message against providing false or misleading information for the purpose of defrauding an insurer or any other person. However, the deterrence effect of this message is not known. These tests were conducted in accordance with generally accepted government auditing standards.

During a verbal presentation of the results of our review to DCOP officials on January 24, 2002, DCOP informed us that confirmation letters will be sent to each employee who logged on and made changes to his/her DCEHB. We believe that the transaction verification method planned by DCOP is adequate. However, future on-line processing of employee information via the intranet should include the requirement of transaction authentication at the time of data entry.

If you have questions about this final report, please contact me or William J. DiVello, Assistant Inspector General for Audits, at (202) 727-2540.

Sincerely,


for Charles C. Maddox, Esq.
Inspector General

CCM/ws

cc: The Honorable Anthony A. Williams, Mayor, District of Columbia
Mr. John A. Koskinen, Deputy Mayor and City Administrator
The Honorable Linda W. Cropp, Chairman, Council of the District of Columbia
Ms. Phyllis Jones, Secretary to the Council (13 copies)
Ms. Suzanne J. Peck, Chief Technology Officer